



3015 (02-09-04)

ANNUAL REPORT

OF

Name: WAVERLY SANITARY DISTRICTPrincipal Office: W7191A HIGHWAY 10 & 114
MENASHA, WI 54952For the Year Ended: DECEMBER 31, 1998**WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN**P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: WAVERLY SANITARY DISTRICT**Utility Address:** W7191A HIGHWAY 10 & 114
MENASHA, WI 54952**When was utility organized?** 8/21/1972**Report any change in name:** N/A**Effective Date:****Utility Web Site:**

Utility employee in charge of correspondence concerning this report:

Name: MS. CATHERINE M GIRDLEY**Title:** OFFICE MANAGER**Office Address:** WAVERLY SANITARY DISTRICT
W7191A HIGHWAY 10 & 114
MENASHA, WI 54952**Telephone:** (920) 731 - 0002**Fax Number:** (920) 731 - 2955**E-mail Address:** N/A

Individual or firm, if other than utility employee, preparing this report:

Name: N/A**Title:****Office Address:** N/A**Telephone:****Fax Number:****E-mail Address:**

Are records of utility audited by individuals or firms, other than utility employee? YES

Individual or firm, if other than utility employee, auditing utility records:

Name: MR BLAINE C. PRIEBUSH**Title:** CERTIFIED PUBLIC ACCOUNTANT**Office Address:** ERICKSON & ASSOCIATES S.C.
1000 WEST COLLEGE AVENUE
APPLETON, WI 54912**Telephone:** (920) 733 - 4957**Fax Number:** (920) 733 - 6221**E-mail Address:** N/A**Date of most recent audit report:** 12/31/1997**Period covered by most recent audit:** 1997

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: MR DAVID A VICK**Title:** SYSTEMS OPERATOR**Office Address:** WAVERLY SANITARY DISTRICT
W7191A HIGHWAY 10 & 114
MENASHA, WI 54952**Telephone:** (920) 731 - 0002**Fax Number:** (920) 731 - 2955**E-mail Address:** N/A

Name: MR DONALD A DOULE**Title:** COMMISSION PRESIDENT**Office Address:** WAVERLY SANITARY DISTRICT
W7191A HIGHWAY 10 & 114
MENASHA, WI 54952**Telephone:** (920) 731 - 0002**Fax Number:** (920) 731 - 2955**E-mail Address:** N/A

Name: MS CATHERINE M GIRDLEY**Title:** OFFICE MANAGER**Office Address:** WAVERLY SANITARY DISTRICT
W7191A HIGHWAY 10 & 114
MENASHA, WI 54952**Telephone:** (920) 731 - 0002**Fax Number:** (920) 731 - 2955**E-mail Address:** N/A

Name of utility commission/committee: WAVERLY SANITARY DISTRICT COMMISSION

Names of members of utility commission/committee:

MR DONALD A DOULE, PRESIDENT

MS LAURIE J FULCER, COMMISSIONER

MR WILLIAM C HELEIN, SECRETARY

Is sewer service rendered by the utility? YES**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes?** YES**Date of Ordinance:** 9/1/1983**Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)?** NO

Provide the following information regarding the provider(s) of contract services:

IDENTIFICATION AND OWNERSHIP

Firm Name: N/A

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	301,135	234,433	1
Operating Expenses:			
Operation and Maintenance Expense (401)	217,084	148,473	2
Depreciation Expense (403)	38,763	36,589	3
Amortization Expense (404)	0	0	4
Taxes (408)	5,458	4,507	5
Total Operating Expenses	261,305	189,569	
Net Operating Income	39,830	44,864	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	39,830	44,864	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	4,777	3,697	9
Miscellaneous Nonoperating Income (421)	215	38	10
Total Other Income	4,992	3,735	
Total Income	44,822	48,599	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	0	0	12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	44,822	48,599	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	11,415	12,582	13
Amortization of Debt Discount and Expense (428)	2,457	628	14
Amortization of Premium on Debt--Cr. (429)	0		15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0		18
Total Interest Charges	13,872	13,210	
Net Income	30,950	35,389	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	(82,962)	(118,351)	19
Balance Transferred from Income (433)	30,950	35,389	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	4,905	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	(56,917)	(82,962)	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
Interest on Checking/Saving Accts	4,777	4
Total (Acct. 419):	4,777	
Miscellaneous Nonoperating Income (421):		
Realtor Assessment Information Fees	215	5
Total (Acct. 421):	215	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
None	0	8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
Surplus Adjustment from prior years	4,905	9
Total (Acct. 435)--Debit:	4,905	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)	0				0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold	0				0	2
Payroll	0				0	3
Materials	0				0	4
Taxes	0				0	5
Other (list by major classes):						
NONE	0				0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	301,135	0	0	0	301,135	1
Less: interdepartmental sales	300	0	0	0	300	2
Less: interdepartmental rents	0	0			0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained	40				40	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	300,795	0	0	0	300,795	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	3,338,922	3,172,267	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	316,972	278,209	2
Net Utility Plant	3,021,950	2,894,058	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	140,111	6
Special Funds (125)	34,883	30,905	7
Total Other Property and Investments	34,883	171,016	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	109,286	69,817	8
Temporary Cash Investments (132)	0		9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	27,901	20,340	11
Other Accounts Receivable (143)	0	(140,111)	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	0	4,905	14
Materials and Supplies (150)	946	1,371	15
Prepayments (165)	4,173	3,838	16
Other Current and Accrued Assets (170)	46,776	46,776	17
Total Current and Accrued Assets	189,082	6,936	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	2,558	2,457	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	2,558	2,457	
Total Assets and Other Debits	3,248,473	3,074,467	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	216,917	216,917	21
Appropriated Earned Surplus (215)	0		22
Unappropriated Earned Surplus (216)	(56,917)	(82,962)	23
Total Proprietary Capital	160,000	133,955	
LONG-TERM DEBT			
Bonds (221)	151,400	166,500	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	151,400	166,500	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	8,133	808	28
Payables to Municipality (233)	262,451	264,899	29
Customer Deposits (235)	0		30
Taxes Accrued (236)	1,604	1,331	31
Interest Accrued (237)	752	971	32
Other Current and Accrued Liabilities (238)	0		33
Total Current and Accrued Liabilities	272,940	268,009	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)	0		35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)	0		37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	2,664,133	2,506,003	38
Total Liabilities and Other Credits	3,248,473	3,074,467	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	3,338,922	0	0	0	1
Utility Plant Purchased or Sold (391)	0				2
Utility Plant in Process of Reclassification (392)	0				3
Utility Plant Leased to Others (393)	0				4
Property Held for Future Use (394)	0				5
Construction Work in Progress (395)	0				6
Utility Plant Acquisition Adjustments (396)	0				7
Other Utility Plant Adjustments (397)	0				8
Total Utility Plant	3,338,922	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	316,972	0	0	0	9
Total Accumulated Provision	316,972	0	0	0	
Net Utility Plant	3,021,950	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	278,209				278,209	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	38,763				38,763	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	0				0	6
Accruals charged other						7
accounts (specify):						8
	0				0	9
Salvage	0				0	10
Other credits (specify):						11
Meter Depreciation to Sewer Utility					0	12
Total credits	38,763	0	0	0	38,763	13
Debits during year						14
Book cost of plant retired	0				0	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	0	0	0	0	0	19
Balance End of Year	316,972	0	0	0	316,972	20
Composite Depreciation Rate?	No					21
If yes, what is the rate?						22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0	0	0	0	1
Other (specify):					
NONE	0	0	0	0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0	0	0	0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year	0	2
Collection of accounts previously written off: Utility Customers	0	3
Collection of accounts previously written off: Others	0	4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers	0	5
Accounts written off during the year: Others	0	6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	946	1,371	2
Sewer utility		0	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	946	1,371	

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
1991 GO REFUNDING BONDS	2,457	0	0	1
1998 Refunding Issue	0	2,558	2,558	2
Total			2,558	
Unamortized premium on debt (251)				
NONE	0	0	0	3
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	216,917	1
Changes during year (explain):		
None	0	2
Balance end of year	216,917	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
GO REFUNDING BONDS	11/15/1998	12/01/2005	3.94%	151,400	1
Total Bonds (Account 221):				151,400	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)
--	----------------------------------	--	----------------------------------	---

NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	1,331	1
Accruals:		
Charged water department expense	5,458	2
Charged electric department expense	0	3
Charged sewer department expense	0	4
Other (explain):		
NONE	0	5
Total Accruals and other credits	5,458	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	4,853	7
PSC Remainder Assessment	332	8
Other (explain):		
NONE	0	9
Total payments and other debits	5,185	
Balance end of year	1,604	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
GO REFUNDING BONDS	971	11,415	11,634	752	1
Subtotal	971	11,415	11,634	752	
Advances from Municipality (223)					
NONE	0	0	0	0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NONE	0	0	0	0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0	0	0	0	4
Subtotal	0	0	0	0	
Total	971	11,415	11,634	752	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	2,506,003	0	0	0	0	2,506,003	1
Add credits during year:							
For Services	23,236	0	0	0	0	23,236	2
For Mains	110,584	0	0	0	0	110,584	3
Other (specify):							
Hydrants	24,310	0	0	0	0	24,310	4
Deduct charges (specify):							
NONE		0	0	0	0	0	5
Balance End of Year	2,664,133	0	0	0	0	2,664,133	
Amount of federal and state grants in aid received for utility construction included in End of Year totals	139,383	0	0	0	0	139,383	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
None		1
Total (Acct. 123):	0	
Other Investments (124):		
None		2
Total (Acct. 124):	0	
Special Funds (125):		
Mortgage Revenue Bond Fund - Restricted	34,883	3
Total (Acct. 125):	34,883	
Notes Receivable (141):		
None		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	27,901	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
None		8
Total (Acct. 142):	27,901	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	0	9
Merchandising, jobbing and contract work	0	10
Other (specify):		
None		11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
None		12
Total (Acct. 145):	0	
Prepayments (165):		
Prepaid Insurance	4,173	13
Total (Acct. 165):	4,173	
Extraordinary Property Losses (182):		
None		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
None		15
Total (Acct. 183):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Payables to Municipality (233):		
Temporary Borrowing from General, Assessment, and Sewer Funds	262,451	16
Total (Acct. 233):	262,451	
Other Deferred Credits (253):		
None		17
Total (Acct. 253):	0	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	3,255,594	0	0	0	3,255,594	1
Materials and Supplies	1,158	0	0	0	1,158	2
Other (specify):						
None					0	3
Less Average:						
Reserve for Depreciation	297,590	0	0	0	297,590	4
Customer Advances for Construction	0				0	5
Contributions in Aid of Construction	2,585,068	0	0	0	2,585,068	6
Other (specify):						
None					0	7
Average Net Rate Base	374,094	0	0	0	374,094	
Net Operating Income	39,830	0	0	0	39,830	8
Net Operating Income as a percent of Average Net Rate Base	10.65%	N/A	N/A	N/A	10.65%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	216,917	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	(69,939)	3
Other (Specify):		
None		4
Total Average Proprietary Capital	146,978	
Net Income		
Net Income	30,950	5
Percent Return on Proprietary Capital	21.06%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

None

2. Leaseholder changes.

None

3. Extensions of service.

Three Developments were accepted during 1998:

Cottonwood Creek-Phase II - 8 Services
Cottonwood Creek-Phase III - 68 Services
Tuckaway Court----- 11 Services

(Total Additional Services: 87)

Continued development is anticipated in 1999.

4. Estimated changes in revenues due to rate changes.

A revenue increase is reflected during 1998 due to the 3/25/98 rate increase.
(PSC Authorization: 6335-WR-102)

5. Obligations incurred or assumed, excluding commercial paper.

None

6. Formal proceedings with the Public Service Commission.

None

7. Any additional matters.

None

FINANCIAL SECTION FOOTNOTES

Balance Sheet (Page F-05)

Acct. #124 (Other Investments) and Acct.#143 (Other Accts Receivable) were not used on the 1998 report since amounts offset each other and the appropriate amount is recorded annually in the Debt Service fund.

Bonds (Acct. 221) (Page F-13)

Sanitary District refunded its existing debt during 1998 thus causing changes in the information on F13 from prior annual reports.

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

July 22, 1999

Ms. Catherine M. Girdley, Office Manager
Waverly Sanitary District
W7191A US Highway 10 & 114
Menasha, WI 54952-9419

1998 Analytical Review DWCCA-6335-PJL

Dear Ms. Girdley:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

The Commission adopted benchmark depreciation ranges during 1996, with the effective date of January 1, 1997. By letter dated October 14, 1996, with regard to analytical review of the 1995 annual report, your utility was provided with a schedule of depreciation rates for computing depreciation expense on each of the water utility plant accounts. A copy of these depreciation rates is enclosed. It appears that your utility did not use the authorized depreciation rates during 1997 and 1998, as indicated below.

For 1997, the authorized depreciation rates times the average of first of year and end of year plant investment result in total accruals of \$47,619, whereas only \$36,589 is reported on page F-7, line 4. The apparent under accrual is \$11,030.

For 1998, the authorized depreciation rates times the average of first of year and end of year plant investment result in total accruals of \$51,523, whereas only \$38,763 is reported on page F-7, line 4. The apparent under accrual is \$12,760.

We highly recommend that these under accruals be recorded as adjusting journal entries during 1999 by debiting Account 435, Miscellaneous Debits to Surplus, and crediting Account 110, Accumulated Depreciation. This will more properly reflect exhaustion of service life of plant assets so that retirement losses will not occur in the future. If your utility does not adopt the authorized benchmark depreciation rates, the utility's file at the PSC will be updated to indicate this fact, and this would be a consideration in future rate cases if amortization of retirement losses was requested by your utility. Please state your intentions with regard to this matter.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions,

FINANCIAL SECTION FOOTNOTES

please feel free to contact me at (608) 267-9198. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Sincerely,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

PJL:tlk:w:\compl\analytical review letters\July 22 1999 rev letters L 2.doc

Enclosure

cc: Mr. Donald A. Doule, President

Response received 7/29/99.
The recommended adjusting journal entry will be made in the utility's August 1999 financial statements.
Review closed.
PJL

WATER OPERATING REVENUES & EXPENSES

Particulars (a)		Amounts (b)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)		294,188	1
Total Sales of Water		294,188	
Other Operating Revenues			
Forfeited Discounts (470)		463	2
Other Water Revenues (474)		6,484	3
Amortization of Construction Grants (475)		0	4
Total Other Operating Revenues		6,947	
Total Operating Revenues		301,135	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)		156,665	5
General Operating Expenses (680-690)		60,419	6
Total Operation and Maintenance Expenses		217,084	
Other Operating Expenses			
Depreciation Expense (403)		38,763	7
Amortization Expense (404)		0	8
Taxes (408)		5,458	9
Total Other Operating Expenses		44,221	
Total Operating Expenses		261,305	
NET OPERATING INCOME		39,830	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential	0	0	0	1
Commercial	0	0	0	2
Industrial	0	0	0	3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	697	34,058	212,390	4
Commercial	16	2,093	10,351	5
Industrial	2	390	1,880	6
Total Metered Sales to General Customers (461)	715	36,541	224,621	
Private Fire Protection Service (462)	0		0	7
Public Fire Protection Service (463)	0		68,945	8
Other Sales to Public Authorities (464)	2	8	322	9
Sales to Irrigation Customers (465)	0	0	0	10
Sales for Resale (466)	0	0	0	11
Interdepartmental Sales (467)	1	44	300	12
Total Sales of Water	718	36,593	294,188	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	68,945	1
Wholesale fire protection billed	0	2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)	0	3
Other (specify):		
None		4
Total Public Fire Protection Service (463)	68,945	
Forfeited Discounts (470):		
Customer late payment charges	448	5
Other (specify):		
Non sufficient fund charges	15	6
Total Forfeited Discounts (470)	463	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	2,361	7
Other (specify):		
Sewer Portion of Meter Depreciation	1,102	8
Reconnection Fees	363	9
Construction Permit Fees/Road Water Use	2,658	10
Total Other Water Revenues (474)	6,484	
Amortization of Construction Grants (475):		
NONE		11
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	23,021	1
Purchased Water (610)	114,429	2
Fuel or Power Purchased for Pumping (620)	1,134	3
Chemicals (630)	0	4
Supplies and Expenses (640)	3,816	5
Repairs of Water Plant (650)	13,579	6
Transportation Expenses (660)	686	7
Total Plant Operation and Maintenance Expenses	156,665	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	35,593	8
Office Supplies and Expenses (681)	4,820	9
Outside Services Employed (682)	6,920	10
Insurance Expense (684)	3,449	11
Employees Pensions and Benefits (686)	8,838	12
Regulatory Commission Expenses (688)	0	13
Miscellaneous General Expenses (689)	759	14
Uncollectible Accounts (690)	40	15
Total General Operating Expenses	60,419	
Total Operation and Maintenance Expenses	217,084	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent	None		1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			2
Net property tax equivalent		0	
Social Security	Allocated on Gross Payroll	5,126	3
PSC Remainder Assessment		332	4
Other (specify): NONE			5
Total tax expense		5,458	

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0	0	1
Franchises and Consents (302)	0	0	2
Miscellaneous Intangible Plant (303)	0	0	3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0	0	4
Structures and Improvements (311)	0	0	5
Collecting and Impounding Reservoirs (312)	0	0	6
Lake, River and Other Intakes (313)	0	0	7
Wells and Springs (314)	0	0	8
Infiltration Galleries and Tunnels (315)	0	0	9
Supply Mains (316)	0	0	10
Other Water Source Plant (317)	0	0	11
Total Source of Supply Plant	0	0	
PUMPING PLANT			
Land and Land Rights (320)	0	0	12
Structures and Improvements (321)	0	0	13
Boiler Plant Equipment (322)	0	0	14
Other Power Production Equipment (323)	0	0	15
Steam Pumping Equipment (324)	0	0	16
Electric Pumping Equipment (325)	0	0	17
Diesel Pumping Equipment (326)	0	0	18
Hydraulic Pumping Equipment (327)	0	0	19
Other Pumping Equipment (328)	0	0	20
Total Pumping Plant	0	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0	0	21
Structures and Improvements (331)	0	0	22
Water Treatment Equipment (332)	0	0	23
Total Water Treatment Plant	0	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	52,710	0	24
Structures and Improvements (341)	0	0	25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)	0	0	0	1
Franchises and Consents (302)	0	0	0	2
Miscellaneous Intangible Plant (303)	0	0	0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)	0	0	0	4
Structures and Improvements (311)	0	0	0	5
Collecting and Impounding Reservoirs (312)	0	0	0	6
Lake, River and Other Intakes (313)	0	0	0	7
Wells and Springs (314)	0	0	0	8
Infiltration Galleries and Tunnels (315)	0	0	0	9
Supply Mains (316)	0	0	0	10
Other Water Source Plant (317)	0	0	0	11
Total Source of Supply Plant	0	0	0	
PUMPING PLANT				
Land and Land Rights (320)	0	0	0	12
Structures and Improvements (321)	0	0	0	13
Boiler Plant Equipment (322)	0	0	0	14
Other Power Production Equipment (323)	0	0	0	15
Steam Pumping Equipment (324)	0	0	0	16
Electric Pumping Equipment (325)	0	0	0	17
Diesel Pumping Equipment (326)	0	0	0	18
Hydraulic Pumping Equipment (327)	0	0	0	19
Other Pumping Equipment (328)	0	0	0	20
Total Pumping Plant	0	0	0	
WATER TREATMENT PLANT				
Land and Land Rights (330)	0	0	0	21
Structures and Improvements (331)	0	0	0	22
Water Treatment Equipment (332)	0	0	0	23
Total Water Treatment Plant	0	0	0	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)	0	0	52,710	24
Structures and Improvements (341)	0	0	0	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	0	0	26
Transmission and Distribution Mains (343)	2,081,885	110,584	27
Fire Mains (344)	0	0	28
Services (345)	564,682	23,236	29
Meters (346)	58,726	8,525	30
Hydrants (348)	261,674	24,310	31
Other Transmission and Distribution Plant (349)	0	0	32
Total Transmission and Distribution Plant	3,019,677	166,655	
GENERAL PLANT			
Land and Land Rights (370)	0	0	33
Structures and Improvements (371)	105,533	0	34
Office Furniture and Equipment (372)	12,644		35
Computer Equipment (372.1)	5,026		36
Transportation Equipment (373)	20,540	0	37
Other General Equipment (379)	8,847	0	38
Other Tangible Property (390)	0	0	39
Total General Plant	152,590	0	
Total utility plant in service directly assignable	3,172,267	166,655	
Common Utility Plant Allocated to Water Department	0	0	40
Total utility plant in service	3,172,267	166,655	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TRANSMISSION AND DISTRIBUTION PLANT				
Distribution Reservoirs and Standpipes (342)	0	0	0	26
Transmission and Distribution Mains (343)	0	0	2,192,469	27
Fire Mains (344)	0	0	0	28
Services (345)	0	0	587,918	29
Meters (346)	0	0	67,251	30
Hydrants (348)	0	0	285,984	31
Other Transmission and Distribution Plant (349)	0	0	0	32
Total Transmission and Distribution Plant	0	0	3,186,332	
GENERAL PLANT				
Land and Land Rights (370)	0	0	0	33
Structures and Improvements (371)	0	0	105,533	34
Office Furniture and Equipment (372)			12,644	35
Computer Equipment (372.1)			5,026	36
Transportation Equipment (373)	0	0	20,540	37
Other General Equipment (379)	0	0	8,847	38
Other Tangible Property (390)	0	0	0	39
Total General Plant	0	0	152,590	
Total utility plant in service directly assignable	0	0	3,338,922	
Common Utility Plant Allocated to Water Department	0	0	0	40
Total utility plant in service	0	0	3,338,922	

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January	3,635			3,635	1
February	3,655			3,655	2
March	4,562			4,562	3
April	4,501			4,501	4
May	5,500			5,500	5
June	6,300			6,300	6
July	6,988			6,988	7
August	4,976			4,976	8
September	4,500			4,500	9
October	3,232			3,232	10
November	3,491			3,491	11
December	3,431			3,431	12
Total for year	54,771	0	0	54,771	
Less: Measured or estimated water used in main flushing and water treatment during year				4,380	13
Less: Other utility use				29	14
Other utility use explanation:					15
Fire Department's water use for drills/fires					
Water pumped into distribution system				50,362	16
Less: Water sold				36,593	17
Losses and unaccounted for				13,769	18
Percent unaccounted for to the nearest whole percent (%)				27%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Numerous water leaks in existing mains. Six (6) leaks were identified and repaired during the 1998 year.					
Maximum gallons pumped by all methods in any one day during reporting year				275	21
Date of maximum: 7/29/1998					22
Cause of maximum:					23
The three (3) causes were flushing hydrants/distribution mains, unidentified leaks, and water use by customers due to dry weather conditions.					
Minimum gallons pumped by all methods in any one day during reporting year				100	24
Date of minimum: 10/14/1998					25
Total KWH used for pumping for the year				0	26
If water is purchased: Vendor Name: TOWN OF MENASHA SANITARY DISTRICT 4					27
Point of Delivery: CORNER OF HIGHWAY 10 & 114					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)
-------------------------	--	----------------------------------	--	---	--

NONE

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Identification Number (b)	Intakes		
		Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)

NONE

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
----------------------------	-----------------------	-----------------------	-----------------------

NONE

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
----------------------------	-----------------------	-----------------------	-----------------------

NONE

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
P	D	6.000	23,849	399	0	0	24,248
P	D	8.000	37,383	5,239	0	0	42,622
P	D	10.000	26,913	0	0	0	26,913
Total Within Municipality			88,145	5,638	0	0	93,783
P	D	6.000	1,363	0	0	0	1,363
P	D	8.000	15,957	1,067	0	0	17,024
P	D	10.000	3,749	0	0	0	3,749
Total Outside of Municipality			21,069	1,067	0	0	22,136
Total Utility			109,214	6,705	0	0	115,919

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
L	1.000	907	87	0	0	994	278	1
P	2.000	1	0	0	0	1	0	2
P	4.000	1	0	0	0	1	0	3
Total Utility		909	87	0	0	996	278	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	726	100	0	0	826	66	1
0.750	2	0	0	0	2	0	2
1.000	7	0	0	0	7	0	3
2.000	6	0	0	0	6	0	4
Total:	741	100	0	0	841	66	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	693	12	0	2	1	118	826	1
0.750	0	0	0	0	0	2	2	2
1.000	4	0	1	0	0	2	7	3
2.000	0	4	1	0	0	1	6	4
Total:	697	16	2	2	1	123	841	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	44	2	0	0	46	1
Within Municipality	171	14	0	0	185	2
Total Fire Hydrants	215	16	0	0	231	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	85
Number of distribution system valves end of year:	576
Number of distribution valves operated during year:	96

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

Variances of 30% or greater:

Acct 610 (Line 2) -- Additional growth and numerous water leaks contributed to this increase.

Acct 650 (Line 6) -- Account increase due to the repair cost of the six (6) identified water leaks.

Acct 682 (Line 10) - Due to an operator's illness and related sick time, temporary employment hires were utilized for miscellaneous field related work.

Water Mains (Page W-15)

Col. E represents the addition of three (3) completed/accepted development projects and were not financed by the Sanitary District.

All development costs were funded by the land developers.

Water Services (Page W-16)

Col. D Explanation:

- The service additions were paid by the developer.
- The basis of recording is the installed cost per the contractor's final cost and quantity statement.
- The total amount is \$23,236.00 -- reflecting the 87 count.

Hydrants and Distribution System Valves (Page W-18)

Due to a field operator's extended illness and related sick time, the number of hydrants and distribution valves that were operated was low during 1998.

Since the Sanitary District employs two operators, the remaining operator's time was very limited.

Temporary employment hires will be utilized during 1999 for required field and system work since operator's illness/sick time is continuing.
